

## Message Text

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11

ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 AGR-05 AID-05 EB-07 IO-10 RSC-01

COME-00 TRSE-00 SWF-01 SP-02 NSC-05 CIEP-01 SS-15

STR-01 OMB-01 CEA-01 CIAE-00 INR-05 NSAE-00 PA-01

USIA-06 PRS-01 /091 W

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R 221820Z NOV 74

FM AMEMBASSY RABAT

TO SECSTATE WASHDC 3860

INFO AMEMBASSY ALGIERS

AMEMBASSY MADRID

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY LUXEMBOURG

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY COPENHAGEN

AMEMBASSY TUNIS

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E.O. 11652: N/A

TAGS: EGEN MO

SUBJECT: FURTHER ANALYSIS ON KING'S INDEPENDENCE DAY SPEECH

REF: RABAT 5650

1. SUMMARY: FURTHER ANALYSIS KING'S NOVEMBER 19 INDEPENDENCE  
DAY SPEECH CONFIRMS HIGH IMPORTANCE SIGNALLED IN ORIGINAL  
REPORTING MESSAGE. MINFIN HAS INFORMED AMBASSADOR SPEECH  
GIVEN AT HIS URGING AND INTENDED CONVEY STORM SIGNALS FOR  
MOROCCAN ECONOMY DUE DETERIORATING WORLD ECONOMIC CLIMATE.  
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THIS IMMEDIATELY UNDERSTOOD IN BUSINESS COMMUNITY. IMPLICATIONS

NEGATIVE FOR NATIONAL BUDGET, BALANCE OF PAYMENTS, DEVELOPMENT PROSPECTS, AND JOBS AND PRICES. BUT ALSO SIGNALS NEW OPPORTUNITIES FOR INTERNATIONAL BUSINESS--AND PARTICULARLY FOR AMERICAN FIRMS WHO CAN ACT WITH SPEED AND FLEXIBILITY. ON MORE PURELY POLITICAL FRONT, SOME PUZZLEMENT REMAINS WHY SPEECH CONTAINED NO REFERENCE TO BROADENING GOVERNMENT OR OTHER POLITICAL ELEMENTS WHICH HAD BEEN WIDELY EXPECTED. RECENT ARRESTS RADICAL STUDENTS AND TEACHERS MAY HAVE CAUSED POSTPONEMENT PENDING FURTHER ASSESSMENT OF SITUATION. END SUMMARY.

2. AS WE HAVE FUTHER ANALYZED SUBSTANCE KING'S INDEPENDENCE DAY ADDRESS, WE CONTINUE TO BE IMPRESSED THAT MESSAGE OF GREAT IMPORTANCE, CONTAINING SEVERAL LAYERS OF MEANING. AS REPORTED REFTEL, PRIME SIGNIFICANCE IS GOM GRASP OF IMPACT OF DETERIORATING WORLD ECONOMIC SITUATION ON MOROCCAN ECONOMY. RISING WORLD PRICES FOR WHEAT, SUGAR, AND VEGETABLE OILS HAVE RESULTED IN SITUATION IN WHICH VIRTUALLY ENTIRE ADDITIONAL EARNINGS FROM PHOSPHATES NOW BEING SPENT ON IMPORTS OF SUBSIDIZED COMMODITIES TO KEEP BASIC FOOD PRODUCTS WITHIN REACH ORDINARY WORKERS. IMPLICATIONS FOR ECONOMIC DEVELOPMENT IMMEDIATE. EARLIER FORECASTS FOR MODEST B/P SURPLUS NOW APPEAR TRANSITORY, THOUGH NO TRADE ACCOUNT FIGURES WILL BE AVAILABLE FOR SEVERAL MONTHS.

3. CONGEN CASABLANCA REPORTS BUSINESS CIRCLES IMMEDIATELY TAGGED SPEECH OF MAJOR IMPORTANCE. DESPITE SANGUINE CAST OF MUCH OF PRESENTATION--"RISING OUTPUT", "IMPORTANT PROGRESS"--NEGATIVE ELEMENTS ("LEVEL OF SUBSIDIES INSUPPORTABLE", "AGRICULTURAL TARGETS MUST BE RAISED"), DREW MOST COMMENT. SENSE OF BUSINESS COMMUNITY IS THAT SOME ELEMENTS OF GOVERNMENT ECONOMIC LEADERSHIP (E.G. AGRICULTURE MINISTRY) IN FOR DIFFICULTIES AND BASIC FOOD PRICES LIKELY TO RISE SHARPLY IN NOT DISTANT FUTURE.

4. IN BRIEF ENCOUNTER BETWEEN AMBASSADOR AND MINFIN BENSLIMANE, MINFIN ASSERTED HE HAD BEEN PRESSING KING TO MAKE SPEECH FOR FOUR MONTHS. BENSLIMANE ACKNOWLEDGED THAT MANY PRODUCTION FIGURES CITED WERE HIGHLY INFLATED (ACCORDING AGATT, 1973 OUTPUT ONLY 10.6 QUINTALS PER HACTARE, NOT 17 REPORTED BY LIMITED OFFICIAL USE

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KING; AND WHEAT IMPORTS THIS YEAR WILL BE MINIMUM 750,000 METRIC TONS VS. 100,000 TON FIGURE CITED IN SPEECH). BUT ASSERTED KING HAS CORRECT FIGURES ON HAND AND IMPORTANCE OF SPEECH RELATES TO UNDERLYING WARNING TO NATION THAT ROUGH ECONOMIC WATERS AHEAD IN TERMS OF COSTS AND PRICES, NATIONAL BUDGET, FOREIGN EXCHANGE POSITION, AND--ULTIMATELY--RATE OF ECONOMIC GROWTH AND JOBS. MINFIN FEELS THAT WITH ATTENTION NOW FOCUSSED ON PROBLEM, SOLUTIONS MORE LIKELY.

5. MINFIN ALSO CONFIRMED TO AMBASSADOR THAT OUR READING OF INCREASED GOM RELIANCE ON INTERNATIONAL FIRMS, INCLUDING NEW OPENINGS FOR US BUSINESS, WAS CORRECT. WE HAVE BEEN EMPHASIZING THROUGH COMMERCIAL REPORTING CHANNELS OPPORTUNITIES IN ENGINEERING DESIGN AND CONSTRUCTION, INTEGRATED MEAT/DAIRY PRODUCTION, SPECIALTY FRUIT AND VEGETABLE PROCESSING, AND LIGHT MANUFACTURE FOR EXPORT WITH SOME RESULTANT INCREASE OF INTEREST ON PART AMERICAN BUSINESS. PRESENT CLIMATE ATTRACTIVE AND DOORS ALSO OPEN FOR FIRMS INTERESTED IN LARGE SCALE WATER DESALINIZATION, ATOMIC AND SOLAR ELECTRIC GENERATION, SHALE OIL EXPLOITATION, PHOSPHATIC CHEMICAL PROCESSING COMPLEXES, SALES OF BEEF AND DAIRY BREEDING STOCK, AND IMPROVED VARIETAL SEEDS.

6. CONTRARY TO PARA 4 REFTTEL, KING DID REFER BRIEFLY TO NEED TO CONCENTRATE MORE ATTENTION ON LANDLESS POOR.

7. SURPRISE HAS BEEN EXPRESSED IN SOME CIRCLES THAT SPEECH DID NOT HAVE MORE PURELY POLITICAL CONTENT. ALL INDICATIONS HAD BEEN THAT KING WAS CONTEMPLATING BROADENING OF GOVERNMENT TO INCLUDE POLITICAL PARTY LEADERS AND SUBSEQUENT ELECTIONS. ANNOUNCEMENT OF HIS PLANS IN THIS AREA HAD BEEN EXPECTED. REASON FOR ABSENCE OF POLITICAL NEWS IN SPEECH MAY HAVE BEEN SOME JITTERINESS ON SECURITY SITUATION. SECURITY PRECAUTIONS AT INDEPENDENCE DAY PARADE WERE UNPRECEDENTEDLY TIGHT, AND THERE HAVE BEEN ARRESTS, REPORTEDLY IN LEAST THREE CITIES, OF RADICAL TEACHERS AND STUDENTS (SEPTTEL). IT MAY BE, THEREFORE, THAT KING DECIDED, POSSIBLY AT LAST MINUTE, TO SUSPEND FURTHER CONCRETE POLITICAL MOVEMENT PENDING REASSESSMENT OF SITUATION.

8. ANNUAL EMBASSY REPORT ON FUTURE OF MOROCCAN AGRICULTURE LIMITED OFFICIAL USE

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SCHEDULED FOR END DECEMBER ALREADY IN PLANNING STAGE. WE WILL ATTEMPT WEAVE INTO THIS ANALYSIS FURTHER IMPLICATIONS OF KING'S SPEECH AND ITS IMPACT IF ANY ON CURRENT DEVELOPMENT PLAN IN AGRICULTURE SECTOR.  
NEUMANN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SPEECHES, INDEPENDENCE CELEBRATIONS, FOOD ASSISTANCE, ECONOMIC REPORTS  
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**Copy:** SINGLE  
**Draft Date:** 22 NOV 1974  
**Decaption Date:** 01 JAN 1960  
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**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
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**To:** STATE  
**Type:** TE  
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